

**ASSEMBLY BILL**

**No. 357**

**Introduced by Assembly Member Maze**

February 11, 2003

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An act to amend Section 155.20 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 357, as introduced, Maze. Property taxation: exemption: possessory interests.

Existing provisions of the California Constitution authorize the Legislature, with the approval of  $\frac{2}{3}$  of the membership of each legislative house, to allow a county board of supervisors to exempt from property taxation those properties having a full value too low to justify the costs of assessment and collection.

Existing property tax law implementing this authority limits any exemption granted under the constitutional provisions by a county board of supervisors to property with a value not exceeding \$5,000 or, for a possessory interest for a limited-term use of certain publicly owned facilities, a value not exceeding \$50,000.

This bill would for a qualified county, as defined, increase the limit for the exemption relating to a possessory interest from \$50,000 to \$100,000.

Section 2229 of the Revenue and Taxation Code requires the Legislature to reimburse local agencies annually for certain property tax revenues lost as a result of any exemption or classification of property for purposes of ad valorem property taxation.

This bill would provide that, notwithstanding Section 2229 of the Revenue and Taxation Code, no appropriation is made and the state

shall not reimburse local agencies for property tax revenues lost by them pursuant to the bill.

This bill would take effect immediately as a tax levy.

Vote: <sup>2</sup>/<sub>3</sub>. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 155.20 of the Revenue and Taxation  
2 Code is amended to read:

3 155.20. (a) ~~(Subject~~ *Subject* to the limitations listed in  
4 ~~subsections subdivisions~~ (b), (c), (d), and (e), a county board of  
5 supervisors may exempt from property tax all real property with  
6 a base year value (as determined pursuant to Chapter 1  
7 (commencing with Section 50) of Part 0.5), and personal property  
8 with a full value so low that, if not exempt, the total taxes, special  
9 assessments, and applicable subventions on the property would  
10 amount to less than the cost of assessing and collecting them.

11 (b) (1) The board of supervisors ~~shall have no authority to~~ *may*  
12 *not* exempt property with a total base year value or full value of  
13 more than five thousand dollars (\$5,000), except that this  
14 limitation is increased to fifty thousand dollars (\$50,000) *or, for a*  
15 *qualified county, one hundred thousand dollars (\$100,000)*, in the  
16 case of a possessory interest, for a temporary and transitory use,  
17 in a publicly owned fairground, fairground facility, convention  
18 facility, or cultural facility. For purposes of this paragraph,  
19 “publicly owned convention or cultural facility” means a publicly  
20 owned convention center, civic auditorium, theater, assembly hall,  
21 museum, or other civic building that is used primarily for staging  
22 any of the following:

23 (A) Conventions, trade and consumer shows, or civic and  
24 community events.

25 (B) Live theater, dance, or musical productions.

26 (C) Artistic, historic, technological, or educational exhibits.

27 (2) In determining the level of the exemption, the board of  
28 supervisors shall determine at what level of exemption the costs of  
29 assessing the property and collecting taxes, assessments, and  
30 subventions on the property exceeds the proceeds to be collected.  
31 The board of supervisors shall establish the exemption level  
32 uniformly for different classes of property. In making this

1 determination, the board of supervisors may consider the total  
2 taxes, special assessments, and applicable subventions for the year  
3 of assessment only or for the year of assessment and succeeding  
4 years where cumulative revenues will not exceed the cost of  
5 assessments and collections.

6 (c) This section does not apply to those real or personal  
7 properties enumerated in Section 52.

8 (d) The exemption authorized by this section shall be adopted  
9 by the board of supervisors on or before the lien date for the fiscal  
10 year to which the exemption is to apply and may, at the option of  
11 the board of supervisors, continue in effect for succeeding fiscal  
12 years. Any revision or rescission of the exemption shall be adopted  
13 by the board of supervisors on or before the lien date for the fiscal  
14 year to which that revision or rescission is to apply.

15 (e) Nothing in this section ~~shall authorize~~ *authorizes* either of  
16 the following:

17 (1) A county board of supervisors to exempt new construction,  
18 unless the new total base year value of the property, including this  
19 new construction, is five thousand dollars (\$5,000) or less.

20 (2) An assessor to exempt or not to enroll any property of any  
21 value, unless specifically authorized by a county board of  
22 supervisors, pursuant to this section.

23 (f) (1) *For purposes of this section, "qualified county" means*  
24 *a county in which the total population, as of July 1, has decreased*  
25 *since the immediately preceding July 1.*

26 (2) *The population determinations specified in paragraph (1)*  
27 *shall be made on the basis of the later of the following:*

28 (A) *The most recent population estimates for counties that have*  
29 *been made by the population research unit in the Department of*  
30 *Finance.*

31 (B) *The most recent census that has been validated by the*  
32 *population research unit in the Department of Finance.*

33 SEC. 2. Notwithstanding Section 2229 of the Revenue and  
34 Taxation Code, no appropriation is made by this act and the state  
35 shall not reimburse any local agency for any property tax revenues  
36 lost by it pursuant to this act.

37 SEC. 3. This act provides for a tax levy within the meaning of  
38 Article IV of the Constitution and shall go into immediate effect.

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